

NORTH CAROLINA  
DURHAM COUNTY

LAND LEASE BETWEEN THE CITY OF DURHAM  
AND FRONTIER COMMUNICATIONS OF THE CAROLINAS LLC

THIS LEASE AGREEMENT is made and entered into this the 31st day of July, 2015, by and between the City of Durham, a North Carolina municipal corporation, ("Landlord"), and Frontier Communications of the Carolinas LLC., a Delaware limited liability company ("Tenant").

**WITNESSETH**

1. **GRANT.** The Landlord hereby leases to the Tenant, and the Tenant accepts, a certain parcel of land, known as a portion of 6605 Farrington Road, Parcel #141733, in the County of Durham as described and shown on **Exhibit A, Premises** attached hereto and made a part hereof ("the Premises"), together with the access easement described therein.
2. **TERM.** This Lease is for a period of 20 years and shall begin September 1, 2015 and expire August 31, 2035.
3. **Rent.** (a) The Tenant shall pay to the Landlord as rent the sum of \$4,500.00 for the first year of this Lease. The rent payment amount shall escalate 3% each year in years 2 through 20 of this Lease as shown on **Exhibit B, Rental Schedule** attached hereto and made a part hereof. Annual rent payments are due on the anniversary date of the Lease. The rent shall be paid by mailing payments to the Landlord using the address shown in Section 20 (Notice).

(b) The Landlord agrees to the Tenant being in possession of the Premises for the period from October 22, 2012 through August 31, 2015 in accordance with this Lease. The Tenant shall pay prorated rent in arrears to the Landlord for the period from October 22, 2012 through August 31, 2015 as follows:

1. \$1,710.33 from 10/22/2012- 10/21/2013
2. \$1,761.64 from 10/22/2013 -10/21/2014
3. \$1,560.96 from 10/22/2014 to 8/31/2015.

Said amount shall be due and payable upon execution of this Lease.

4. **PURPOSE.** The Tenant may not use the Premises for any purpose other than: the location and operation of telecommunications exchange facilities.
5. **RETURNED CHECKS.** Tenant shall pay thirty dollars (\$30.00) for each check returned for insufficient funds or because the drawer had no account at the bank.

6. LATE PAYMENTS. If the full rental payment is not received by the Landlord on or before the tenth (10<sup>th</sup>) day of the month due, the Tenant shall pay a late fee of five percent (5%) of the rental payment or fifteen dollars (\$15.00) whichever is greater.
7. POSSESSION. The Landlord shall not be liable for its failure to deliver possession because of a cause beyond its reasonable control, including holdover by a previous tenant. However, the rent shall be prorated to reduce the rent for the period during which the Landlord fails to deliver possession.
8. ACCESS TO PREMISES. Landlord or Landlord's authorized agent or agents shall have the right to enter upon the Premises at all reasonable hours, provided Landlord gives Tenant reasonable prior notice of Landlord's intention to enter the Premises and Landlord is accompanied by an authorized representative of Tenant, for the purpose of inspecting the same, preventing waste, or making such repairs as the Landlord may consider necessary. If Tenant does not provide an authorized representative within a reasonable period after the Landlord has requested to enter the Premises, the Landlord may enter the Premises without an authorized representative of the Tenant. In case of an emergency, the Landlord may enter the Premises immediately without prior notice. Entry by the Landlord to the improvements constructed by the Tenant on the Premises shall be in accordance with this Section 8.
9. DEFAULT. Tenant covenants and agrees that if any default is made in the payment of the rent hereunder and if such default continues for thirty (30) days, or if any default is made by the Tenant in the performance or observance of any other covenants or agreements herein contained and if Tenant fails to remedy any such default within thirty (30) days after the date of mailing written notice by the Landlord to Tenant, or if the Premises are abandoned by Tenant, or if a Petition in Bankruptcy is filed by or against the Tenant and the same is not dismissed within a reasonable time, then, in any of said events, the Landlord may at any time (i) terminate this Lease and cause the Tenant's estate to be ceased, or (ii) terminate the Tenant's right to possession of the Premises without causing the Tenant's estate to be ceased or terminating this Lease. In either event, the Tenant shall deliver possession of the Premises to the Landlord. In addition the Landlord may reenter and take possession in accordance with legal procedures; or Landlord may at Landlord's option take any other steps or proceedings to enforce the terms and provisions of this Lease as are provided by law.
10. UTILITIES. The Tenant shall pay all proper charges for all utilities, including oil, gas, electricity, water, sewer, garbage pickup, cable, and telephone.
11. LIEN ON PROPERTY. In the event of a default by Tenant, as set forth in Section 7 above, the Landlord shall have a special lien upon the property of the Tenant located in or on the Premises as security for any moneys due the Landlord under the terms of this Lease, including rent for the unexpired term.
12. MAINTENANCE AND REPAIR. Tenant shall maintain the area of Premises, including

any access and utility easements, and the alterations and improvements to the Premises made by the Tenant, in good condition. Upon termination of this Lease, shall deliver up the Premises and the access and utility easements in good repair and condition, reasonable wear and tear and damages caused by fire, tornado, or other casualty excepted, if the fire or other casualty is not the Tenant's fault.

13. ALTERATIONS AND IMPROVEMENTS. Prior to the date hereof the Tenant has made alterations and improvements to the Premises with the consent of the Landlord. Tenant, with Landlord's written consent, may make any alterations or improvements to the Premises at its expense, so long as said alterations and improvements are made in conformity with applicable laws, ordinances, rules and regulations of the governmental unit where the Premises is located and so long as said alterations or improvements do not interfere with the Landlord's operation of a wastewater treatment facility.
14. REMOVAL OF IMPROVEMENTS. Title to all alterations or improvements constructed or installed by Tenant on the Premises shall remain in Tenant, and all alterations or improvements constructed or installed by Tenant shall at all times be and remain the property of Tenant, regardless of whether such alterations or improvements are attached or affixed to the Premises. Tenant, upon termination of this Lease, shall, within a reasonable period, remove all alterations or improvements constructed or installed on the Premises by Tenant, and restore the Premises, to its original condition, reasonable wear and tear excepted. At Landlord's option, upon termination of this Lease and upon Landlord's advance written notice to Tenant, Tenant will leave the foundation and security fence on the Premises to become the property of Landlord. If in order to remove any items pursuant to this Section 14 Tenant remains on the Premises after termination of this Lease, the leasehold shall be extended on a month to month basis, and Tenant shall pay rent at the then existing monthly rate, or on the existing monthly pro rata basis if based upon a longer payment term, until such time as the removal is completed.
15. INDEMNIFICATION. (a) To the maximum extent allowed by law, the Tenant shall defend, indemnify, and save harmless the Landlord from and against all Charges that arise in any manner from, in connection with, or out of this Lease or out of the use or occupancy of the Premises, pursuant to this Lease, including for Environmental Contamination., in each case by reason of any act of the Tenant. In performing its duties under this subsection "a", the Tenant shall at its sole expense defend the Landlord with legal counsel reasonably acceptable to the Landlord.

(b) Definitions. As used in subsections (a) and (d) of this section – "Charges" means claims, judgments, cost, damages, losses, demand, liabilities, obligations, fires, penalties, settlements, and expenses (included within "Charges" are interest and reasonable attorney's fees assessed as part of any such item. "Environmental Contamination" means petroleum products (including oil, gasoline, and kerosene), hazardous wastes, hazardous substances, hazardous materials, toxic substances, toxic wastes, hazardous air pollutants, and toxic pollutants, as those terms are used in any federal, state, or local laws, rules, regulations, codes, and ordinances, as amended from

time to time. "Indemnitees" means Landlord and its officers, officials, independent contractors, agents, and employees, and does not include Tenant.

(c) Limitations of Tenant's Obligation. Subsection "a" of this section shall not require Tenant to indemnify or hold harmless Indemnitees against liability for damages arising out of bodily injury to persons or damage to property proximately caused by or resulting from the negligence, in whole or in part, of the Landlord.

16. TAXES AND INSURANCE. Tenant shall be responsible for filing and paying any and all property taxes levied or assessed against the improvements constructed by Tenant on the Premises. Any insurance that the Landlord may obtain on the Premises is for the benefit of the Landlord, not the benefit of the Tenant. Landlord shall not provide either liability insurance to protect Tenant or insurance against loss or damage to Tenant's property. Tenant is responsible for insurance coverage as outlined in **Exhibit C, Insurance Requirements** attached hereto and made a part hereof, except for "Professional Liability", or as otherwise approved by the Landlord.

17. FAILURE TO EXERCISE RIGHTS. It is agreed that Landlord's failure to require or its waiver of strict performance or observance of one or more of the covenants or conditions hereunder or to exercise any remedy, privilege, or option herein conferred upon or reserved to the Landlord, shall not operate or be construed as a relinquishment or waiver for the future of such covenant or condition or of the right to enforce the same or to exercise such privilege, option or remedy, but the same shall continue in full force and effect. Without limiting the foregoing, it is agreed that the receipt by Landlord of rent, or of any other payment required to be made by Tenant, or any part thereof, shall not be a waiver of any other rents or payments then due, nor shall receipt, though with knowledge of the breach of any covenant or condition hereof, operate as or be deemed to be a waiver of such breach and no waiver by the Landlord or any of the provision hereof, or any of the Landlord's rights, remedies, privileges, or options hereunder, shall be deemed to have been made unless made in writing by the Landlord. If Landlord consents to the assignment of this Lease, no further assignment shall be made without the written consent of Landlord first obtained.

18. TERMINATION, CASUALTY, AND EMINENT DOMAIN. (a) If the term ends early at the request of the Landlord, and if Tenant has paid rent in advance, it shall be entitled to a pro rata refund for the rent attributable to the time after the end of the term. (b) If an authority with the power of eminent domain acquires an interest in the Premises that substantially affects their use for Tenant's purposes, Tenant may, by sending notice to the Landlord within thirty (30) days of the taking of possession by the authority, terminate the term effective as of the date of the taking of possession by the authority, and if Tenant has paid rent in advance, it shall be entitled to a prorata refund for the rent attributable to the time after the date of the taking of possession by the authority. (c) Each subsection of this section is intended to be independent of the other subsections of this section.

19. EFFECTS ON OTHER RIGHTS. The Landlord shall not be liable for any loss or damage occurring to the personal property of Tenant, except through the intentional act of the Landlord, and except as otherwise provided by law or this Lease. Nothing in this Lease shall limit the City of Durham's governmental powers regarding the Premises, including eminent domain, zoning, subdivision, and police.

20. NOTICE: Any written demand which under the terms of this Lease or under any statute must or may be given or made by the parties hereto shall be in writing and may be given or made by mailing the same addressed to the respective parties as follows:

To the Landlord: City of Durham  
General Services Department, Real Estate Division  
101 City Hall Plaza  
Durham, North Carolina 27701

To the Tenant: Frontier Communications Corporation  
21 West Avenue  
Spencerport, NY 14559  
Attn: Real Estate Services

Copies To: Frontier Communications Corporation  
805 Central Expressway South  
Allen, TX 75013  
Attn: Manager Real Estate Services

And To: Frontier Communications  
c/o Jones, Lang, LaSalle Americas Inc.  
Attn: Lease Administration  
535 William Penn Place, 25<sup>th</sup> Floor  
Pittsburg, PA 15259

The above addresses may be changed at any time by giving thirty (30) days prior written notice.

21. SIGNS. Tenant shall have the right to affix a sign on the Premises, provided that it conforms to the sign ordinance and the proper permit is obtained.

22. INTERPRETATION. Unless the context requires otherwise, the singular includes the plural, and vice versa. "Including" and "included" mean including or included but not limited to. Section headings are not for interpretation of this Lease

23. LEASE BINDING. This Lease shall be binding upon the parties hereto, their successors, heirs and assigns, and wherever used, the singular shall be considered a plural and pronouns shall be changed to neuter wherever the context so requires.

IN WITNESS WHEREOF, as of the day and year first above written, the Lease has been duly executed by the parties hereto.

IN WITNESS WHEREOF, the parties executed this Lease as of the date written above.

LANDLORD:     CITY OF DURHAM,  
                         a North Carolina municipal corporation

By \_\_\_\_\_ (ATTEST)  
                         City Clerk

TENANT:     FRONTIER COMMUNICATIONS OF THE CAROLINAS LLC,  
                         a Delaware limited liability company

By: \_\_\_\_\_ (SEAL)  
                         Name:  
                         Title

284454

State of \_\_\_\_\_

ACKNOWLEDGMENT BY LIMITED  
LIABILITY COMPANY

County of \_\_\_\_\_

I, a notary public in and for said county and state, certify that

\_\_\_\_\_ personally (1) appeared before me this day, (2) stated that he or she is an authorized representative of FRONTIER COMMUNICATIONS OF THE CAROLINAS LLC, a limited liability company organized and existing under the laws of the State of Delaware, and that if he or she is a manager of the company automatically by reason of being a member of the company, the operating agreement does not change that status, (3) acknowledged that the foregoing contract with the City of Durham carries on the company's business in the usual way, and (4) acknowledged the due execution, under seal, of the contract on behalf of the company. This the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

My commission expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

EXHIBIT A, PREMISES

**BEGINNING** at an iron stake 15 feet south of the centerline of a 12 foot wide gravel roadway which extends eastward from Farrington Road on to City Tract 760; said point of **BEGINNING** being reached by the following courses and distances from the concrete monument at the northwest corner of City Tract 760 on the east side of Farrington Road; thence along the east side of Farrington Road, S 17° 32' 14" E, a distance of 72.38 feet to a centerline of a 12 foot gravel road; thence N 84° 52' 06" E along and with the centerline of the 12 foot gravel road, a distance of 150 feet; thence S 5° 07' 54" E perpendicular to the gravel road, a distance of 15.00 feet to an iron stake, said stake being the place and point of **BEGINNING**; thence parallel to the gravel road N 84° 52' 06" E, a distance of 50 feet to an iron stake; thence S 5° 07' 54" E, a distance of 60 feet to an iron stake; thence S 84° 52' 06" W, a distance of 50 feet to an iron stake; thence N 5° 07' 54" W, a distance of 60 feet to an iron stake; said stake being the place and point of **BEGINNING**.

For further description see map showing "City Tract No. 760", dated January 23, 1976. Plat Book **101**, Page **163**.

There is also hereby conveyed to LESSEE an access easement for ingress and egress to and from the aforescribed telephone exchange building along a 12 foot wide gravel road or driveway which extends eastward approximately 150 feet from Farrington Road on to City Tract No. 760 to a site, along with the necessary easement or right-of-way for LESSEE to install either overhead or underground utility

lines or cables to service the telephone exchange building.





EXHIBIT B, RENTAL SCHEDULE

Year	Annual Rent
Year One	\$4,500.00
Year Two	\$4,635.00
Year Three	\$4,774.05
Year Four	\$4,917.27
Year Five	\$5,064.79
Year Six	\$5,216.73
Year Seven	\$5,373.24
Year Eight	\$5,534.43
Year Nine	\$5,747.00
Year Ten	\$5,871.48
Year Eleven	\$6,047.62
Year Twelve	\$6,229.05
Year Thirteen	\$6,415.92
Year Fourteen	\$6,608.40
Year Fifteen	\$6,806.65
Year Sixteen	\$7,010.85
Year Seventeen	\$7,221.18
Year Eighteen	\$7,437.81
Year Nineteen	\$7,660.95
Year Twenty	\$7,890.78
Total Rent	\$120,916.69

## **EXHIBIT C**

### **INSURANCE REQUIREMENTS**

Contractor agrees to maintain, on a primary basis and at its sole expense, at all times during the life of this Contract the following applicable coverages and limits. The requirements contained herein, as well as City's review or acceptance of insurance maintained by Contractor is not intended to and shall not in any manner limit or qualify the liabilities or obligations assumed by Contractor under this Contract.

**Commercial General Liability** – Combined single limit of no less than \$1,000,000 each occurrence and \$2,000,000 aggregate. Coverage shall not contain any endorsement(s) excluding nor limiting Product/Completed Operations, Contractual Liability or Cross Liability.

**Automobile Liability** – Limits of no less than \$1,000,000 Combined Single Limit. Coverage shall include liability for Owned, Non-Owned and Hired automobiles. In the event Contractor does not own automobiles, Contractor agrees to maintain coverage for Hired and Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Auto Liability policy. Automobile coverage is only necessary if vehicles are used in the provision of services under this Contract and/or are brought on a City of Durham site.

**Umbrella or Excess Liability** – Contractor may satisfy the minimum liability limits required above under an Umbrella or Excess Liability policy. There is no minimum Per Occurrence limit of liability under the Umbrella or Excess Liability, however, the Annual Aggregate limits shall not be less than the highest 'Each Occurrence' limit for required policies. Contractor agrees to endorse City of Durham as an 'Additional Insured' on the Umbrella or Excess Liability, unless the Certificate of Insurance states the Umbrella or Excess Liability provides coverage on a 'Follow-Form' basis.

**Worker's Compensation & Employers Liability** – Contractor agrees to maintain Worker's Compensation Insurance in accordance with North Carolina General Statute Chapter 97 and with Employer Liability limits of no less than \$1,000,000 each accident, each employee and policy limit. This policy must include a Waiver of Subrogation.

**Professional Liability**- Contractor agrees to maintain Professional Liability Insurance with limits no less than \$1,000,000, covering claims arising out of professional architect, engineers and surveyors services performed in connection with this contract.

**Environmental/Pollution**- Contractor agrees to maintain Environmental/Pollution Liability Insurance with limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate, covering claims arising out of the use or application of chemicals/herbicides as well as the negligent release of hazardous materials. Coverage may also be satisfied by endorsement to the Commercial General Liability policy with minimum limits of \$1,000,000/\$2,000,000.

**Additional Insured** – Contractor agrees to endorse the City as an Additional Insured on the Commercial General Liability. The Additional Insured shall read ‘City of Durham as its interest may appear’.

**Certificate of Insurance** – Contractor agrees to provide City of Durham a Certificate of Insurance evidencing that all coverage’s, limits and endorsements required herein are maintained and in full force and effect, and Certificates of Insurance shall provide a minimum thirty (30) day endeavor to notify, when available, by Contractor’s insurer. If Contractor receives a non-renewal or cancellation notice from an insurance carrier affording coverage required herein, or receives notice that coverage no longer complies with the insurance requirements herein, Contractor agrees to notify the City within five (5) business days with a copy of the non-renewal or cancellation notice, or written specifics as to which coverage is no longer in compliance. The Certificate Holder address should read:

City of Durham  
Attn: General Services Department  
101 City Hall Plaza  
Durham, NC 27701

All insurance companies must be authorized to do business in North Carolina and be acceptable to the City of Durham’s Risk Manager.